



November 18, 2004

Jennifer J. Johnson
Secretary
Board of Governors of the Federal
Reserve System
20th Street and Constitution Avenue, NW
Washington, DC 20551

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Re: Docket No. R-1210

Dear Ms. Johnson:

This comment letter is submitted on behalf of Motivano, Inc.—provider of electronic HSA, HRA, FSA, dependent care and mass transportation and parking prepaid accounts. Please accept our response below to the notice of proposed rulemaking (“Proposed Rule”) and request for public comment by the Federal Reserve Board (“FRB”), published in the Federal Register on September 17, 2004. The Proposed Rule would revise Regulation E, which implements the Electronic Fund Transfer Act (“EFTA”), and the official staff commentary of Regulation E (“Commentary”), to address payroll cards and electronic check conversion services. In addition, the Proposed Rule includes revisions and clarifications relating to: stop payment and revocation of authorizations for preauthorized electronic fund transfers (“EFTs”); replacement of existing debit cards with multiple renewal or substitute cards; telephonic authorizations for preauthorized EFTs; requirements for automated teller machine (“ATM”) notices; error resolution procedures; and notices of transfers varying in amount.

If the revisions to Regulation E require Third Party Administrators to provide flexible benefits prepaid cardholders with monthly paper statements, we are in opposition to the Proposed Rule. Currently, cardholder account balances and transaction histories are provided to cardholders via online customer access centers and toll-free customer service lines. The Proposed Rule will increase the cost of providing a flexible benefits prepaid card to employer groups, and could discourage employers from offering a prepaid card for use with flex accounts. In effect, the Proposed Rule would defeat the purpose of providing lower income workers with the opportunity to access flexible, pre-tax funds for immediate use on healthcare, transit and dependent care expenses.

Motivano appreciates the opportunity to comment on this important topic. If you have any questions concerning these comments, or if we may otherwise be of assistance in connection with this matter, please do not hesitate to contact Mark Keck, at (646) 435-5669.

Sincerely,

Mark Keck
Executive Vice President
Motivano